

Contact: Matt Lloyd

PENCE OFFERS LEGISLATION TO MAKE IRAQ ASSISTANCE LOAN INSTEAD OF GRANT

Washington, Oct 15, 2003 — Washington, D.C.— Congressman Mike Pence is offering an amendment to the Iraq supplemental spending bill today that will provide a middle ground between those who support a loan and those who support a grant. Pence's statement follows:

"On the issue of whether reconstruction costs in Iraq should take the form of a grant or a loan, I have considered the arguments of the Administration and the opinions of my constituents with much deliberation and prayer. On this question I have decided it is appropriate to stand firm in my belief that a portion of the reconstruction costs should be eventually repaid by the Iraqi people to the people of the United States.

"Accordingly, I intend to bring the Pence Amendment, which offers a middle ground between the challenges of extending a loan to a nascent Iraq and the desire of the American people to see this oil-rich nation bear the costs, at some point in the future, of building a civil society.

"As the Administration has argued, the possibility of extending a loan from the United States to a nation not yet formed is problematic. In recognition of this reality, my amendment makes the first 50 percent of the funding available immediately as a grant 'giving priority consideration to the emergency purposes of security, electric sector infrastructure, oil infrastructure, public works, water resources, transportation and telecommunication infrastructures, and other emergency needs.' Once the Administration informs Congress that a democratically elected government in Iraq has been established, the balance of the funding would be made available 'in the form of loans from the United States Government,' under terms determined by the President.

"Having addressed the logistical concerns raised by the Administration, I believe it is appropriate that Congress defer to the consent of the governed, especially in matters of foreign aid. Many Americans, even in my conservative district, overwhelmingly support some repayment of reconstruction costs.

"Most Americans know Iraq is an oil-rich nation, possessing the second largest oil reserves on the planet, and will eventually be able to bear the burden of repaying some of the costs of rebuilding its infrastructure

“At a time of mounting federal deficits, making a portion of the reconstruction a loan also reassures the American people that there is an end game strategy for our financial commitment to this cause. In so doing, the public will see a point when the people of Iraq will assume the costs of fostering a prosperous, just and secure civil society.

“Finally, by making a portion of the infrastructure spending a loan, Congress will set an important precedent as we partner with the Iraqi people in establishing a free society. This is especially important since most of us anticipate that this request for reconstruction funding will likely not be the last.

“In the end, I will support the final version of the Iraq Supplemental because I fully support the President and am anxious to continue to support the courageous work our military and civilian personnel. Nonetheless, I am offering the Pence Amendment with the firm belief that the United States should provide for the liberty and security of Iraq but improvements in the civil society of Iraq should ultimately be borne by the Iraqi people.”

###